

MB iron ore index

Metal Bulletin is the leading independent supplier of market intelligence and pricing to the global metals industries. MB's iron ore index is an accurate representation of the seaborne merchant market for sinter fines delivered to China.

The index is based on actual transactions, which are reported to MB by any market participant who is conducting trades on a CFR China spot basis. MB is totally impartial, and seeks to report an open and transparent representation of the market. MB has no financial interest in the level or direction of the index.

The details below are the base target specification. Material that differs from the base specification but falls within the target range is normalised to the base specification and port. The base specification has been chosen to accurately reflect the reality of the physical market.

The normalisation coefficients have been developed using MB's extensive historical data and history of reporting prices in this market and weekly update freight rates.

Accuracy

Three sub-indices are created, based on data received from producers, traders and consumers. The sub-indices are based on a tonnage weighted average of the trade information. The final index is the non-weighted average of the three sub-indices. Only the final index is published.

MB will seek to utilise at least 12 trades, 4 for each sub-index, as a minimum to calculate the index. In the unlikely event that this is not achievable, assessments from market participants will be included in the index calculation via a defined methodology.

If less than four trades are reported for a sub-index, a minimum of four assessments will be averaged to create an assessment price. This will be combined at the rate of 25% with three transactions, 50% with two transactions, 75% with one transaction, and 100% with no transactions.

All data points that fall greater than 4% away from the calculated index are excluded, and the index recalculated once. Outliers will be investigated, and attempts to influence

the index unfairly will result in the data provider being warned or excluded.

Data is submitted in a secure manner by phone, email, or directly through the website. All correspondence will be stored.

Notes

The normalisation coefficients will be updated twice a year, and will be published on the first index release date in January and July of each year. The new coefficients will be based on data collected over the previous 6 months.

In the event of public holidays in the UK, the index will be published on the previous working day. As a result of technical difficulties or other unforeseen problems, the index will be published from our Singapore office or Shanghai office, as appropriate.

Material in the form of pellets and lumps is excluded.

Domestic Chinese material, and material imported by routes other than by sea, for example by train or truck, is also excluded, as is material that has already been delivered and is held on stockpile at the dock.

Price	US\$ per dry metric tonne, CFR China
Fe Content	Base 62%, Range 58% to 66%
Silica	Base 3.5%, Maximum 6.0%
Alumina	Base 2.0%, Maximum 4.0%
Combined Silica / Alumina	Maximum 8.0%
Phosphorus	Base 0.05%, Maximum 0.10%
Sulphur	Base 0.02%, Maximum 0.05%
Loss on Ignition (%DW)	Base 4.7%, Maximum 9.8%
Moisture	Base 8.0%, Maximum 10.0%
Granularity	Base Size >90% < 6.3mm, Maximum Size >90% <10.0mm, Minimum Size <10% <0.15mm
Trade Size	Minimum 30,000 tonnes, Maximum 350,000 tonnes
Delivery Port	Base Qingdao-Rizhao-Lianyungang, normalized for any Chinese mainland sea port
Delivery period	Within 8 weeks
Data collection	Monday 08:00 Singapore time until Thursday 17:00 London time
Publication	Friday at 08.00 London time